AND VIRGINIA ADVERTISER. ALEXANDRIA GAZETTE



PUBLISHED DAILY AND TRI-WEEKLY BY EDGAR SNOWDEN.

THURSDAY EVEN'G., DECEMBER 5, 1878.

Governor Holliday, in his message, the full text of which we publish to day, says the State debt must be settled by an increase of taxation, or by a fair and satisfactory adjustment with the creditors, and leaves to the General Assembig, the legality of whose action in the premises be has assured by his call convening it, the solection of which one of these means it shall deem best adapted to secure the State's interest. As the State owes this money, and is not only legally, but justly, bound for every cent of it, it would seem that the General Assembly, under existing circumstances, could do no better than accept the creditors' proposal "to receive 4 per cent. for consols and 32 for all other classes of bonds, principal and interest funded," and to make prevision for fulfilling the terms of the contract. It is not often that creditors that Constitution. Not that the Constitution are willing to make a deduction of 333 per ct. tion of the State of Virginia is surrame, and in a solvent debtor's account, but when they are, and the debter is pressed for money, it is the part of wisdom, at least, for him to accept the proposition with becoming celerity and thankfulness. Some will probably object to the acceptance of the proposition upon the ground that by funding the deferred interest, the prin cipal will be iccreased to such an amount that it will require as large a sum to pay the interest at the proposed reduced rate, as has to be raised at present, but, even it that were so, it would be no valid of jection.

Gov. Holliday's "message" is too long-too verbose-contains too many rhetorical fl urishes, "smells too much of the midnight lamp," and is too personal. As an old, practical man once said to a prolix speaker: "A tolerably the laws intended it to be. As ex cliedo the smart man would have said what you did in president of the Board of Elucation, I have about balf the time; a smart man would have given my best efforts to crown it with success, said it in about one quarter of the time, but a and fature of the Commonwealth everything very smart man would not have said it at all." | that its most enthusiastic admirers and sup-"Brevitz is the soul of wit," and with all due porters claim for it or could desire. My acts in defference to His Excellency, in these degene | that connection speak louder than words. rate days people are too practical, and have too much to do to wade through so much verbiage

If the assection that misery loves company be true, the people of the United States may derive some consolation from the fact that the director of the mint of France has been arrested for stealing more than a million of france worth of silver bars. It really seems that the spirit of theft has been unchained, and is now roaming at will up and down the earth, and spreading his baleful influence wherever he charge of my duty and under official obligations.

Letter from Richmond.

[Correspondence of the Alexandria Gazatte.] RICHMOND, Dec. 4 .- Notwithstanding the great clamor raised at the eleventh hour about the constitutionality and unconstitutionality of the meeting of the General Assembly, that much impugated body organized to day in accordance with the jour resolution which was adopted at the last session and acquiesced in by the Governor. The Governor's proclamation, which appeared this morning only, convening the Legislature, created considerable confusion and discustion in the Senate. The House was organized in a business like manner without paying the least attention to the call of the Governor. There was a great deci of talk over the "presumption" of the Governor, as one Senator generation, and a premise of the future great called it, which was all a waste of treath .- | ness of the Commonwealth. Its warmest ad-Whatever may be said about it the proclamation was a good move. It settles the question claim for it no more than this. It claustion be as to the legality of the present session, and a great boos, if its advantages ioure to the precludes all future efforts of contention in the benefit of the State, they will not deay that to courts as to the validity of the ac's to be passed | secure them the system must not be founded in by the present General Assembly.

Pending the action of the joint committee appointed to inquire what is under the constitution and laws, the true status of the present session of the General Assembly of Virginia, . the legislature will go on with its business as it her need, and those evidencies of friendthe question had never been raised. It does ship constituted the very elements of not matter to these statesmen how it was organ. the State's strength, Granting the friends ized, whether under the jaint resolution of the last session or the call of the Governor. That can be decided hereafter.

Your correspondent interviewed several Sen found them all of the opinion that the Legisla. of Gevernor Holliday, but in accordance with the joint resolution adopted at the last session. A majority of the two houses, I am confident, entertain the same views. This will ensure them the \$360, whereas by their recognition | we know, that without the recognition of these of the session as an extra session pursuant to latter, their friends cannot by any possibility the call of the Governor they would be entitled long preserve the benefits which they seem so

A prominent member of the House said to your correspondent to day that he had found a solution for the vexed question which was now agitation the Legislature. It was this: That if thing from the credit and honor of my State, the Legislature had assembled under the joint | whatever might be my views of the expedience, resolution of the last session the Governor should cause the Riot Act to be read, but if faction Ising in the path of her history. I will

Whig, was to day appointed official stenographer of the House of Delegates, and Rev. J. J. Lat. | clared in the writing of endowment. ferty is the official stonographer of the Senate.

DEATH OF EX SENATOR LEWIS'S BROTHER. -Our Cross Keys correspondent, under date of a fatal accident, mention of which was made so, because he is simply intellectually cultivated those of any other area, a vast wilderness. In Education, mental and moral, must go tegether any direction we may travel on its surface we Yet between the assumption and payments.

washing men, horses and all down the river. others. What sort of citizens would youths ed-Both men and horses were drowned, and the bodies had not been found up to the latest intelligence. Senator Lewis has the sympathy of want public free echools, they must pay for them the community in his loss of a beloved brother. out of their own means. And it is no recief to The river is still very bigh."

COURT OF APPEALS, YESTERDAY.-Elder's executor vs. Harris and als. Argued by James at the same time provides for other things of Alfred Jones, Esq., for appellant, and Major I. Harrington for appellees, and submitted.

I know that the profoundest and holiest emoto be written, that when the whole trath comes be made effective. That is more properly a matter world stemptations, that when the whole trath comes be made effective. That is more properly a matter to be written, the annals of no nation show the for the investigation of your proper committee.

I know that the profoundest and holiest emoto be written, the annals of no nation show the for the investigation of your proper committee. I then with the calmuess Llama wool Overcosts.

GOVERNOR'S MESSAGE.

(Continued from first page) supreme power of the Federal arms, those who had hitherto directed the destines of the State were disfranchised, and those who had been slaves, and their and stors for centuries. were exalted ioto cit zonship. The like of this had never before occurred in history.

When the convention meet to frame the Constitution under which we now live they saw that the public free school system prevailed in divided between them as a mass and the public one form or another in almost every civil zed fees schools, not being sufficient to pay both. The country in the world, and they, I doubt not, thought, a fortiori, it ought to be established in Virginia. Where so many enlightened men had been torbid to vote, and so many ignerant men, lately serfs, had been clothed with the responsible trusts of freemen, they regarded, and properly, intelligence and honesty as the sine qua non of the success of republican forms of government, as they have ever been regarded and urgently iscu'cated by these who have reflected profoundly, or observed or experienced their working. They therefore made the public free school system a part of the organical law, notwithstanding the impovished enadition of the people, thinking, I have no doubt, that it would be easier for them to rise clad with its perish. This is so plain that whilst I write it I armor than to fight unarmed the many foca that beset the paths of ignorance and dishonesty. And whilst they provided thus, accord

og to their best judgment, for the fature inteligence of the citizen, they over and over again provided for the payment of the lawful indebtedness of the State, believing that with these provisions tending to secure knowledge and inlemerits of the general public free school sysem. These who framed the Coustilu ion, and the people by whom it was adopted, determinwho hold effice are bound to support it, as they

are bound to support every other provision of by its fiat disposes of all rights. It is not supreme in morals, over justice, to a man who recognizes his obligations to God; it is not su preme in law, so long as we are under the Constitution of the United States; and in the assumption of office, while we take no formal oath to support the former, we do the latter .-But office is not obligatory on any one. I am not a believer in "higher law" to a man c'othed with the responsibilities of office, nor buys I any faith in oaths taken with a mental reservation. And were I of opinion that I could not conscientiously carry cut the provisions of the instrument I was sworn to support, I would resign toy office, so that it might be filled by

one who could. Entertaining these views, there has been no time since I assumed the duties of the Executive that I have faltered or hesitated to do whatever lay in my power to make the public free school system what the Constitution and and to make the system render to the pressur

Notwithstanding this, which can to the na | ples which I am sure no one will deny; ture of things be only or best known to the them in hand, let us advance and meet the is is a responsibility upon us to settle it finally members of the Board, and by their records, sues presented with the resolve that it shall be that no after generation may say that we as to reach such a conclusion. "Art is long, but time is flucting."

members of the Soard, and by their records, to reach such a conclusion. "Art is long, but time is flucting."

members of the Soard, and by their records, and the public free school system—as if I could be guilty of the follow of attacking formally and unblick what the record with the record with the record that a question between debtor and creditor, a pure question of business whether were meaning faithiess. We have no take to be tween State and individual, or individual transmit it, with accumulating wors, to those and individual, cannot be settled, is simply to a who may occupy the places we now fill. The following formality and unblick what the folly of attacking fermally and publicly what is occurring every day. To say that duty is on us; I believe we can discharge it—
Legislature composed of what is, or ought to be, discharge it without infringing upon any consti-

same form d and public manner. The further accusation has been brought that I have arraged the creditors and the free school system against each other, thus cognidering antagonism of interest and bitterness of feeling. With respect and deterance, this is just what I have not done. The bill of the General As sembly, which I felt called upos, in the disto decline to approve, drew a distinction and made an array of one against the other, for which I could find no warrant in the Constitution, that instrument declaring to language not

to be mistaken that both should be faithfully and fully provided for. I said, and it rives me pleasure to rapest. hat the public free rehool system in Virginia is the greatest benefaction of which we have any riend in Listery. Though she came out of the war iscenated and torn as I have described her, she, in her powerty, not only provided for the support of her Government and the payment of her debts, but she provided for the education of her poor of both races. This was done by common consent, not by force of arms, or the more subile but none the less dangerous force of the ballot. It was done by the approval of every class, educated and ignoract, rish and poor, as an offering to the present and rising vocates and most enthusiasits admirers will wrong. It would be no honor to a State, and consequently no benefit, to be decorated by spoils wrested from the weak and innocent especially if those weak and innecent had betriended the State in the time of of public free schools everything they could wish or claim for them; granting that the State ought to provide them, and that they ought to be thrown open freely without money and withators and a large number of the delegates and out price; that they are absolutely intheory above any and every public or private objection; that ture had assembled not in obedience to the call their blessings, permeating every class of life and pursuit, will invigorate, elevate and beautify the Commonwealth; even then it does not follow that we ought to violate established law and plighted faith to uphold them. Because abundantly to premise themselves.

When I think of these things, there is noth ing I have ever said that I need wish to retract. I would not, because I would not detract any of her policy. So when I find this great bene the meeting was in pursuance of the Governor's not stultify her conduct and diminish her fame proclamation the Vagrant Act should be read. by saying that the means for the benefaction tochnical. Happily that matter is closed, and I Mr. W. A. Archer, formerly city editor of the | were to be provided at another's expense. She | hope forever, by the repeated declarations of did not intend, and she has so expressly de

I place no value upon the intellectual education without the moral acc messiment. Indeed I would much prefer ignorance; for such an education does not make good men or good citizens, but puts weapons in the hands of the times its amount from the values of the Com wicked to accomplish evil purposes. Mephisof the 3rd inst., gives the following particulars topholes is none the less wicked, only the more with all her endowments and resources, equal to ucated in such a way make, or wherein is any say that the Constitution provides for them; it more desir-ble than honor, and that they who also provides for their support by taxation, the uphold it? fimpelled either by sellish motives only way in which they can be provided for, and or flimsy soils acutality.

But under the Constitution and law as now inarproted, and the inadequacy of the revenues, the public creditors who have not tax-receivable coupons have disappeared from the scene altogether, for they get nothing; and those hold. ing tax-receivable coupons, getting their dues, leaves the issue no longer between the creditors and the public free school system, but between the public free school system and the State. One-third in amount of public creditors get nothing, so that as matters now stand, after the support of the Government, the revenues are public creditors and their friends say theirs is first in point of time and dignity; the friends of the public free schools insist with equal force that just the contrary is true. The letter of the Constitution provides for both; and I most respectfully insist that the terms of that Constitu-

tion must be complied with. I do not think it requires any preambles, bills, or acts of Assembly to satisfy us that the life of the State must be preserved, and that in and on it are involved and based every question and every interest. In it the public creditor finds his only hope of justice, for it he trusted. The public free school upon its bosom rests, and without it would have neither local habitation nor name. The State must live, or the hopes of the creditor and the free schools both

And yet talk, quite vague and hard to under stand, is heard about robbery, misapplication, misappropriation, diversion of the school fund. am sure those who use these ugly terms do of intend them in a criminal senso, yet they are calculated to deceive the ignorant, but can not possibly mislead those who look at the revenues and expenditures of the State. When those revenues are applied according to established tegrity to the citizen, he could overcome the rule, both of the General Assembly and the waste of the war and restore and preserve the highest courts to preserve that organism in ancient power and glory of the Commonwealth. which cohere the rights of life, liberty and It is not my business to discuss the merits or property, which are the fruit of civilization, and which could not survive one moment the reign of Law, and without which everything would resolve itself into chaos-public free schools and all-and if there is a deficit, it does n t prove ed that it should prevail in Virginia; those robbery or any other base crime; it simply proves that there is a deficiency of money in the ireasury to meet the requirements. I therefere do not suppose any reasoning or reasonable man ought to be misled by these harsh, and, to say the least, not very decorous terms. If such has been the impression of any one hitherto. I am sure a very slight examination will unde ceive him. I think the friends of the schools will do much more for their promotion and success by avowing at once that there is not reve nue sufficient to carry them on properly, and arging increased taxation for the purpose, rather than charging innoceat men with grave of-General Assembly, and no true friend of the public free schools would deserve it, get an ilheral and cynical posterity might pronounce the same judgment that it has done on Demetrius the Silversmith, and his fellow-craftsmen, that when they eried so fustily, "Great is Dina f the Ephesians" they were not thinking so much of the interests and honor of the Goddes: as of the cales of their own merchandise.

The time will very soon come, if not already at hand, when the friends of the public frie school system will not be regarded as those who in their zeel, would force it into and over ob tacles, regardless of necessities of State or rights of individuals, burrather those who would found it in just co and equity and charity, so that instead of being astanding reprost to the State, and the victorious enemy of other's rights, it will be, as it ought, the perpetual glory of the beneficence of a great Common wealth and the premise to future generations of an unaweaving and abiding devotion to plighted faith and untarnished honor.

These are statements conclusions and princisuch a question when acting within their constitutional lim is, is an unworthy reflection upon them and upon the whole system of constitutional and representative government. 1 am not of those who think so. I have always said that it was purely a business transaction with which parties and politics had nothing to do, and that this General Assembly, looking at

is as practical mer, was fully able to deal with and close 14. The First Auditor has furnished me the following statement, which shows-

FROM WHAT SOURCES REVENUE IS DERIVED. Value of real estate as assessed with taxer, \$246, -301,103 56; tax on same at 50 cents on the \$100 value, is \$1,231,955.96, and back taxes assessed of \$1.260.27, making.... \$1,231,215 18

Value of personal property assess. ed with taxes, \$76,175,438 00; tax on same at 50 cents in the \$100 value..... Value of incomes as assessed with taxes \$3,457,715.40; tax on same

colored \$110,954; total tax at \$1 per capita..... licenser, taxes on Taxes derived from banks, rail reads, insurance companies, cierks, notaries, &c...

75,000 00

Revenue derived from other sources, not and other than extracrdinary \$2,739,480 52 Total revenue.....

Deduct commissions for collect-189 670 02 ing, &c..... \$2,549,810 50 Deduct insolvent capitation and

property and delinquent land 135,739 86 \$2,414,020 44 Deduct current expenses of gov-

\$1,414,020 44 Deduct amount due to public free

Net revenue applicable to pay. ment of interest.....

Amount of interest on deb; of \$29,850. 826 26 at 6 per ct., \$1,742,865 82 Deduct net revenue

applicable to payment of interest ...

Deficit...... \$770,603 33

This \$1.742,865 84 does not include the annua interest due on bonds held by the Literary fund full interest on which would be \$85,349 86, as shown by the report of the Second Auditor. If this item be aided to the first statement of interest, as above, the total annual deficit would be \$851,952 97.

This is, every one will admit, a very large defiest, which must be met and must be met hon orably by the State. It cannot be said before the General Assembly, however unreflecting men may at large talk, that this debt is without consideration or has any other defect actual or your respected body; nor have we the protest, tion was lost by the war. That consideration stands to-day; and could it by some magic process be lifted out of the State, instead of abstracting its mere sum, it would take away many monwealth. Indeed it would leave Virginia,

assembly would be so faithless to the history of knowingly vote for any measure that would cast the ear is offended constantly by reflections or

of those emotions is that love of country founded upon its history and the noble works of our fathers in the old time before us. It is worth more than material wealth. Such wealth can be rapidly accumulated and as rapidly lest, and the powers educed in amassing it are not of the highest order. But the fame of a State is the outgrowth of the experience, sufferings and blood of generations of men; and their words and deeds are the richest heritage. The people ought to value it above any other earthly posession, for it is the monument of their glory which will survive the material works of the generation which wrought it and be an example and guide to their descendants and promise of the greatness of the coming race. The man who murders his fellow, suffers the penalty of death. What shall be done with the man who, for selfish, ignoble purposes, strikes a blow at the heart of the state? -a State, too, which when you consider the short course of its life has not been surpassed by any other in the whole range of the world's history.

I do not regard these references as empty words. I think in such active, materialistic times as these, they contain the weightiest consideration that can engage the attention of those who fill high office. And when we meet with one who treats them lightly, we may be assured hais unworthy of them and needs to be watened And were we mean enough to fall below them and forget the exalted sentiment they ever carry, we ought to remember they bear a practical value worth far more than pecuniary wealth, and which money cannot buy. A man or State may have money and have no credit :either State or individual that has credit can command money. This I have occasion to know and feel since I have occupied the Executive office. Though Virginia has not repudiated, and does not intend to repudiate; though I know, and you know, that the people are honest and will not tarnish her reputation by so base an act, yet the very discussion of this question of the State debt, and the buterness it has ongendered among the prople, has begetten an alarm that has prevented the advent of capital and Isbor to our borders and thrown a cloud over our heretofore bright name.

If any class of men in the Commonwealth could, or would, from so lish motives advocate repudiation, it would be the friends of the public free schools, or those who occupy official post tions in, or derive their support from them for by any reason of the deficiency of the revolues their existence is now threatened. Yet I know of none such. How could there be when daily they teach the pupils who throng them how they ought to emulate the works of those of whom they read, and who were ever in life' highest aims guided by tru h and patriotism The Superintendent of the public free schools wne, I am sure will not be offended, if I say he a belief in their efficacy for good which amounts fences. I am very sure that no member of the to enthusiasm, and, who, whilst inboring for their support and improvement with the overgy of a devotee, sees them now crippled, if not endangered, for the want of funds, can yet not be diverted by these pressing considerations from what he believes the profoundest interest of both State and schools, and says with the same energy and force with which he protects and argues for their benefits in his report, which I herewith transmit to the General assembly that-"Repudiation is moral desta-it is worse, it is eternal demnation." This is stronger language than I have used, and more incluive probably, then I was able to use, but none to strong to show, that the ardent mind of Superintendent can see how the most reaching benefits of the public school system g hand in hand with the preservation of the honor and renown of the Commonwealth.

We thus see that every interest, even th argest, demands an honorable settlement with the public creditors. This large deligit is due and justly due It will not do to let it stand longer; it has been standing thus for severs years, and accumulating with alarming reporty. It ought to have been settled long ago. the best material in the State, is not equal to tutional provision, and without a thing over legal technicalities, and without assuming or imposing burdens too grievens to be borne. is not right to postpone it, weiting for a better day; that day may never come. Indeed, the posiponement is almost sure promise that the day will not come. The burden is constant y increasing, and that very increase is a warning way of all which would otherwise come and help us lift its weight. All this time the heart is suffering in its own home, and wherever on

the earth is is a power. There are only two ways open trus for any honorable sottlement-by increasing the taxes or by fair and friendly adjustment with the creditors.

Between repudiation or may settlement by force on the one hand, and an increase of taxation on the other, I would not for one mement hositate. The former would bring rule; the latter, however much suffering and privation is might cause for a time, would, in the end, being prosperity and peace.

It would be wrong for us to shrink from a full and square view of this matter of increase texation. It is not the part of wisdom to unreflect ingly announce our favor of increased taratter. without considering the amount to be raised or our ability to bear it. I think, in effect, this is quite as unwise as to deciare our opposition to any increase whatever, without reflecting on the

dreadful results that must follow. To pay this large deficit, together with the back and accrueing interest, would not, as some quite lightly assert, require only a small increase of taxation. It would require no less than an acrease of from thirty to forty cants on the one hundred dollars of property as at present assessed, or the finding of other subjects, for which of late so much diligent search has been made and of which as yet so few can be found. We must also remember that a large amount of these assessed values are unproductive, and that they do not represent the actual wealth of the State upon which there is no other incumbrance than the State debt. In addition to this State 1,000,000 00 dept are local and individual indebtedness. The local often exceeds the State tax, and much property throughout the Commonwealth is mortgaged for the improvements upon its sur-441,757 95 face, and which yet shows upon the books as so much clear value. It is wise and right for those

in office to consider these things in making up a calm and impartial judgment. Sometimes we are referred to Franco as an instance of wenderful vitelity and heroism, which since the war with Prussia has not only paid off an enormous indemnity, but, by thrift and energy, is to-day the most presperous of civi-lized countries. France is worthy of admiration, and is an example for us in integrity, energy and patriotism. But we must remember that she has forty millions of people, with but comparatively small part of her country devusted or taken from her, and the residue in the highest state of cultivation, with vast accumulations of capital, and inhabited by skilliful inborers and citizens, whose market is Christendom. Yet I give her praise for her heroic triumphs, and am not unwilling to recognize in her the strongest proofs of the true; ower of bonesty and

patriotism, But I think it would be a mistake to contrast Virginia with her, to the disparagement of Virginia. Ours is a new country, thinly settled, much of it entirely uncultivated, or cultivated under greatest disadvantages for want of capital, a labor system in complete disorganization, the whole land for four years an immense battle field, every square mile of which was pressed by that law; a stamp tax, which I regard as one that the feet of contending armine, the surface of the country swept of well high every vertige of the accumulations of generations in the shape of material wealth or evidences of higher culture and refinement. The people had to go to work again, and not simply repair, but restore, hear-

"On Monday morning, December 2nd, Mr. I would be devised by Wm. Lawis, brother of ex Senator Lewis, with the schools are established, they ought to be schools are established, they ought to be of the burden of the devised by the schools are established, they ought to be of the burden of the burd hand in hand, and then will both its power and see how that consideration has gone before us that debt and its denial in may form, or repudia- would soon relieve us of the burden. It would be wm. Lawis, brother of ex Separor Lawis, with a colored man, by the name of Backs, attempted to cross the Shenandosh river, at what is known as Lawis's Ford, in a two horse buggs. When some distance from the back they found the water too deep, and attempted to posed upon themselves in addition to other taxes, a Virginia, as well as to his own obligations, as to tax of one dollar and fifty cents on the one hundred dellars in value of real sstate, and dedicated it a shadow even of discredit upon her name. Yet sacredly to the payment of the public debt of Virginia, incurred in the vindication of a principle, and insinuations that there may be some other things afterwards protested against its assumption by the Federal Government under the present Constitution. I need not say to men who know it as well as I

precious life for a cause believed to be true and in value above price. They cannot now barter it for the saving of a little gold.

Scornfully denying such an imputation, it is said that the people of the State cannot bear any increased taxation; otherwise the sources of the power of payng anything are destroyed, and the Commonwealth so crippled that it cannot endure the burden, and, nstead of growing stronger, will lapso into greater weakness. In other words they ground their nonpayment on inability. This is an argument that demands and is entitled to an audience. Not that even inability gives a State the right to repudiate its just obligations, certainly not, even for its own preservation, till it has made a fair and honest effort to adjust amicably with its creditors. I do not believe that a State, any more than an individual, by the mere asserted exercise of what she pleases to call her sovereignty, can afford, to override the fundamental principles of justice and fair dealing, if she wishes to preserve the respect of her own citizens and her the Old place among the nations of the earth. Whilst it is undoubtedly true that self-preservation is the first law of nations as it is of nature, by its very terms it is never to be appealed to save in the last resort, and as a means when moral methods have failed.

If the State of Virginia, then, is not able to pay the debt or the full interest thereon, and ultimately the principal, she ought to have recourse to the other measure this side of force to which I have referredan honorable and amicable adjustment with her creditors.

On the 14th day of March, 1878, the General Assembly passed a bill, which became a law, making a proposition to the creditors, having in it no principle of force, but a simple proposal of settlement. By the terms of that law, as the Executive, I issued my proclamation and thereby announced its provisions. I published it in leading papers in this and other cities, and sent it by mail to bondholders and prominent men of business in this country and Europe, urging a consideration of its contents and a response. Of course, I could not write to, or hope to reach, the hundrads of thousands of bondholders, large and small, scattered over the civilized globe. I hoped to reach rather those, who by virtue of their standing controlled in their own or others' rights, great amounts, or who independently in consideration of their known experience and wisdom were centres of influ ence. In this extensive correspondence, and in interviews I have had. I have not found the State's creditors "Shylocks," and men filled with cupidity and meanness and grasping cruelty, as they are so graphically described by many who want to take away from them their dues. I have found them gentlemen who

are willing to listen to reason and consider and weigh every statement made to them in good faith. The result of this correspondence and intercourse are recommendations from the most powerful corporations and houses, and the most respectable and influential business men in the world. These I now

lay before the General Assembly. The first is from the Council of Foreign Bondhold ers, London, England, presided over by the Right Honorable Edward Pleydoll Bouverie, and with a membership from among the most prominent and petential gentlemen, in social, business, and financial circles, in the kingdom. This contains a general proposition of 4 per cent, in gold upon the whole debt, principal and interest funded, exempt from taxes, with coupons receivable for all taxes, debts, dues, and demands due the State, with sinking fund, the proceeds of the 4 per cent. to be distributed by the creditors among themselves, so as to make the law effective. This proposition is fully set forth in a copy of an act with schedule annexed, and returned with this message, marked A.

The second proposition is from L. G. & G. C. Ward, signing for Baring Brothers & Co.; August Belmont signing for himself, and on behalf of the Messrs. Do Rothschild of London and Paris, Brown, Brothers & Co., Richard Irvin & Co., and Chas. M. Fry, (president of the Bank of New York), recommending 4 per cent. for the consol and 31 in gold for all the other classes of bonds, principal and interest funded, with coupons to be received for taxes or other dues to the State with suitable sinking fund .-This is set forth in appendix to this message marked D.

I can conceive of only four objections, if I may so call them, that can be urged against these liberal recommendations, by which, in effect, one-third of the annual interest of the debt is surrendered by the creditors.

It may be insisted, that a distinction is drawn between the holders of consols with tax-receivable coupons, and the other classes of creditors. I suppose no one would not prefer that they should be put upon the same footing, as their claims have equal quity. But whilst the creditors ask us to pay only two thirds of the promise, it surely cannot be urged as any idjustice on the part of the State, when for the purpose of perfecting the distribution, those creditors suggest how the common fund shall be divided among themselves. They, representing every class of indebtedness, and considering the respective rights and equities of the parties for and in behalf of whom they speak, make the recommendation. The of the people is growing faint, and their victue objection to its acceptance does not lie with the State, which would, if possible, divide equally.

Another objection will probably be to the tax-reecivable coupon feature in these recommendations. I hope the General Assembly will view this matter as I do, and consider how utterly unimportant it is when there are sufficient revenues to meet them .-The trouble that has arisen from the funding bill is not because the coupons are receivable for taxes but because the revenues are not sufficient to discharge them. Were they sufficient the coupons instead of clogging the wheels of government, would aid business by constituting a circulating medium. They are the common mode that enlightened nations have adopted of announcing their confidence in themselves, thereby strengthening their credit abroad .-Who ever hears of any objection urged against their being issued by the United States and the English Governments, and their operations being hampered thereby? Be sure to make the revenues large enough, and favor will soon attach to the coupons, and instead of their being odious, they will become the plodge that the Commonwealth respects her faith as

sho values her life. come may seek objections to the funding of the interest. No one denies that we owe the interest and I am quite sure that no reasonable man ought to object to that, when those who receive the benefit of it, in the same act give up one-third of their whole ac-

craing interest upon the entire debt. Another, and the most important inquiry is, wil this settlement demand an increase of taxation? I answer, it will. I answer thus decidedly because I want now no halfway or unfinished settlsment .-Whatever conclusion is reached, let it be final; so that any future issue on this dread question will nover more lift its head to disturb the peace and impede the growth and prosperity of the Commonwealth.

The deficit under these recommendations would be about as follows:

This deficit of \$453,645.15 can be met by the

State, and not be too seriously felt; certainly not so as

to cripple business and impair the progress in im-

972,262 49

369,295 51

The amount of interest to be raised on whole debt funded, principal and interest at 4 per cent..... \$1,241,558 00 The amount from revenues as they now stand to be applied to pay-

ment of interest as per report of Auditor.....

To which add interest on Literary

provement of her industrial interests and enterprises. The large reductions in expenditure of government made at your last session will now begin to tell; the reduction in salaries and criminal expenses and biennial sessions of your own body. The spirit of economy, as you will see from the reports of the various institutions, that is now pervading their management, will tell still further and considerably in the reduction of expenses An improvement of the "Moffett Liquor Law" that will make it effective; or, if this cannot or will not be done, its repeal, and the adoption of a system of liquor tax that will meet the objects aimed at by can both be easily paid and easily collected; a tax on

oysters, a large and valuable source of revenue now almost entirely idle and unproductive; and if these are not acceptable to you, or are insufficient, an increase of tax on real and personal property. As Ing at the same time the responsibility of a large debt, but none the less just because large.

Yet between the assumption and payment of that debt and its denial in may form, or repudiational debt and its denial debt and its denial in may form and the denial debt and its den would most respectfully urge a return to the old law with regard to the collection of taxes. The Urgent has many objections and the collection of taxes are Captain Richard L Law, Chief of Burgat of Urgent has many objections. lection If the people want protection to their lives and persons and property, to have this protection they must be taxed. And the longer they are postponed the harder they are to pay. To a reflecting

eration as that he pays in the shape of taxes I shall not enter into any discussion of the deand whose war records they would not tarnish for the, tails of these recommendations and how they can world s temptations, that when the whole truth comes be made effective. That is more properly a matter

expenditure for which he receives such full consid-

and im, artiality their grave importance demands. My duty in this connection is discharged I now commit this subject of the State debt to the action of the General Assembly None more vital ever came before this or any other that has convened in this Capitol. Upon its settlement rests the future of the Commonwealth. Our creditors have come forward in generous spirit, and, recognizing our troubles, have offered to help us bear them; they have aimed no blow at the life of the State, or at what seems to be so dear to her people-her public Free School System; but they have tendered their aid that both may survive in the fulness of their strength and beauty. I feel as though a brighter day is dawning for our beloved Commonwealth; depression is to be followed by hope, stagnation by the revival of business, capital and labor to come and help us develop our boundless resources, and the New Virginia upon whose history we are entering to be none the less honorable and glorious than

I submit the reports of the various asylums and institutions of learning, and ask your careful considesation of the suggestions of their superintendents and boards Also reports of the Superintendents of Public Instruction, Treasurer and Second Auditor, Fish Commissioner and Superintendent of Public Printing, to which I likewise call your attention Your special attention is requested to the status of the property where the Central Lunatic Asylum is now located, the lease of which expires on the 31st of December, 1879, and to the reccommendations of the board

The Public tobacco warehouse, under the advice of the Attorney-General and gentlemen members of the Committee on Public Property in the House of Delegates, has been conducted on State account. submit the report of the inspectors and invite your

attention to its suggestions On the 6th of March, 1878, an act was passed ordering the Governor, Attorney-General, and Secretary of the Commonwealth, as commissioners, to advertise, inviting sealed proposals for the lease of the penitentiary This was done through the columns of papers in the city of Richmond and in other cities North, West, and South. No proposals have been received coming within the purview of that act. A very serious tire has occurred on the premises of the penitentiary, by which the State has lost according to the estimate of the superintendent and board, \$35,000. This is the more serious on account of the present condition of our finances I invite attention to the reports and suggestions of the superintendent and board as to this tire.

The heavy pressure of other graver matters has prevented my giving to the general penitentiary system, and to the working of our own and its improvement, if possible, that attention and thought which it so justly demands. I have been trying to gather information as to the operation of differen systems in the various States, but am not sulli ciently informed as yet to make any well digested recommendations to the General Assembly The lease system has been tried in some States, and has in its working encountered difficulties that have excited well grounded opposition. The em ployment of the convicts in manufacturing meets objection from the young and growing m nufac tures of the State And so with any system that can be adopted. It affords pleasure to know that the amended criminal code is having a happy effect in reducing the number of convicts, and it i hoped will, in a short time, render them more manageable

Under an act of General Assembly passed at your last session, a very large number-from 400 to 500 -have been and are still employed in restoring the James River and Kanawha Canal. Applications from other existing and projected improvements are now on file in my office for these convicts, but under the railing of the Attorney-General the canal has priority of claim to their services. Negotiations are now going on with regard to the property and franchises of this canal which will be brought in du time to the attention of the General Assembly FRED W. M. HOLLIDAY

> APPENDIX. New York, November 21, 1878.

To His Excellency F. M. W. Holliday, Governor of Virginia: Dear Sir,-We have duly received your Excel lency's proclamation of April 6th, communicating

the act of the General Assembly of Virginia, ap proved March 14th, 1878, providing for an exchange of the principal of the reorganized debt of the Com monwealth into a bond bearing three per cent. interest for eighteen years, and four per cent for thirty-two years until paid, with a new interestbearing certificate for the amount of accrued and unpaid interest up to July 1st, 1878, to be redeem able at the pleasure of the General Assembly

We have taken pains to consult the owners of the obligations of the Commonwealth, both in Europe and America, in regard to the plan embodied in the act, and find a very unanimous sentiment that the terms proposed are not such as the creditors had reason to expect in view of the resources and char acter of the State, or as they would feel justified to accept by making the exchange proposed

At the same time the bondholders are ver desirous to consider the circumstances in which the Commonwealth stands, and to cooperate as far as a reasonable and just consideration of their own right and position will allow in arriving at such a settlement as would afford a common ground on which they could meet And if the Commonwealth were to offer to the holders of the consolidated bonds a new bond having thirty or forty years to run, the arrears of interest being added to the principal, bearing four per cent interest, and to the holders of all the other classes of bonds a simifar bond, bearing interest at three and a half per cent -both bonds and their coupons being payable in gold, and the coupons to be received for taxes or other dues to the State, and provided with a suitable sinking fund for their redemption, we have stong reason to believe that such a proposal would be accepted by a very large majority, if not the whole of the holders of Virginia securities We remain, with sentiments of high considera

tion, your Excellency's obidient servants, BARING BROTHERS & Co, . by S. G & G C. Ward, Attorneys. AUGUST BELMONT,

and on behalf of the Messrs. De Rothschild, of London and Paris BROWN BROTHERS & Co., RICHARD IRVIN & Co,

CHARLES M FRY, President of Bank of New York.

Washington Notes.

[Reported for the Alexandria Gazette.] Senator Sargent, of Cal., who has been quite ill, is improving rapidly. It is said that nothing has been developed to

implicate Senator Conover with the omission of the Hot Springs clause in the appropriation bill. Secretary Shorman has issued an order to the Assistant Treasurer at New York prohibiting the further issue of gold certificates, of which there are about \$30,000,000 outstanding, held principally by banks. Hereafter, therefore, all gold disbursements will be made in bulk at that Sub Treasury.

The Secretary of the Treasury has received from San Francisco an offer of one million trado dollars, deliverable there from Chin; in sixty days, and replies toat trade dollars will be bought as builion upon bids each Wednesday, and that no preference will be given to trade

dollars over bullion. Hon. A. H. Stephens, of Ga, met with an accident yesterday, which came near proving serious. As he was accending the steps to the House of Representative, on the east front of the Capitol his crutch slipped upon the steps, which were we, and he fell. His attendant, Alex. Ken', caught him in his arms and kept him from falling backward. He sustained no injury except a severe strain in his ich, knee, which may confine him to his room for a faw days.

The Postmaster General has sent to the Senate a communication eating attention to the case of 13 postmasters who fat od of confirmation during the session following their appointment, whose compensation and money order commissions have been witcheld. The President under the civil cervice tenure act, had no power to reappoint these postmusters or appoint others in their stead. They were left in charge of their

Among the numberious rent to the Senats yasterday were the following: Halbert E. Paino, of Wiscensin, Commissioner of Patents; Lewis Yards and Docks, Nevy Department; Captain Earl English, Chief of Bureau of Equipment and Recruiting; Medical Director J. Winthrop Tay lor to be Surgeon General and Chief of Bureau of Medicino and Surgery; Stophen K. Racford, of the District of Columbia, to be Assistant Payman, livi g under a good government, there is no master; Kennan Whiting Postmaster at Hamp expenditure for which he receives such full consider ton, Va; Samuel M. Yest Postmaster at Stannton, Va.; Samuet M. 10st Fostmater at Abing-don, Va.; Lowis W. Rose, Postmaster at Abing-don, Va. and James H. Mainey, Postmaster at Wytheville, Va.

The Latest-Dealham's Scotch Double Faced